

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

STANADYNE LLC *et al.*¹

Debtors.

Chapter 11

Case No. 23-10207 (TMH)

(Jointly Administered)

Related Docket No: 297, 341

**MICROSOFT'S AMENDED RESPONSE TO NOTICE TO CONTRACT PARTIES TO
POTENTIALLY ASSUMED, ASSIGNED, AND SOLD EXECUTORY
CONTRACTS AND UNEXPIRED LEASES**

Microsoft Corporation, by and through its undersigned counsel, hereby amends its *Response to Notice to Contract Parties to Potentially Assumed, Assigned, and Sold Executory Contracts and Unexpired Leases* (D.I. 341). This Amended Response is filed following further review of Stanadyne's account and the future payments due thereunder.

1. Microsoft Corporation ("Microsoft") and Stanadyne LLC (a/k/a Stanadyne Corporation) ("Stanadyne") are parties to Business and Services Agreement U4514052, Master Agreement E8439453, and Enrollments 72865334 and 88620630 (collectively, the "Licenses"). The Licenses are cumulative and together comprise the contractual vehicle through which Stanadyne obtained subscriptions for Microsoft's products and services. The Licenses are executory contracts for the non-exclusive license of intellectual property and the payment of royalties as described by 11 U.S.C. § 365(n), and payments due under the Licenses constitute royalties. *In re Prize Frize*, 32 F.3d 426 (9th Cir. 1994).

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number are: Stanadyne LLC (0378); Pure Power Technologies, Inc. (5202); Stanadyne PPT Holdings, Inc. (2594); and Stanadyne PPT Group Holdings, Inc. (1734). The Debtors' headquarters are located at 405 White Street, Jacksonville, North Carolina 28546.

2. Enrollment 72865334 started on August 19, 2022, and will reach the end of its three-year term on August 31, 2025. Enrollment 88620630 started on August 1, 2022, and will reach the end of its three-year term on July 31, 2025. Both Enrollments are payable in periodic installments.

3. In its *Notice to Contract Parties to Potentially Assumed, Assigned, and Sold Executory Contracts and Unexpired Leases* (“Notice”), Stanadyne proposes to assume and assign two Microsoft contracts and lists a proposed cure amount of **\$0**. (D.I. 297, page 12 of 16).

4. As of the date of this Amended Response, the cure amount listed in the Notice is correct. However, Microsoft anticipates issuing an additional annual invoice under the Licenses totaling **\$220,495.68** on or around August 1, 2023, as detailed on **Exhibit A**.

5. Accordingly, if Stanadyne intends to assume and assign the Licenses on or after August 1, 2023, the cure amount will be at least **\$220,495.68** pursuant to Section 365(b)(1) of the Bankruptcy Code.

6. Microsoft further states that it anticipates issuing a final annual invoice under the Licenses—also totaling **\$220,495.68**—on or around August 1, 2024, as detailed on **Exhibit B**.

7. Microsoft reserves the right to withdraw this Amended Response or revise the stated cure amount pending further investigation. Depending on the timing of the actual assumption and cure, the amount owed may increase for unpaid post-petition use of Microsoft’s products and services under the Licenses.

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WHEREFORE, Microsoft states the cure amount for the Licenses on or after August 1, 2023 is no less than **\$220,495.68.**

Dated: June 29, 2023

FOX ROTHSCHILD LLP

/s/ Stephanie J. Slater

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on June 29, 2023, a true and correct copy of the foregoing MICROSOFT'S AMENDED RESPONSE TO NOTICE TO CONTRACT PARTIES TO POTENTIALLY ASSUMED, ASSIGNED, AND SOLD EXECUTORY CONTRACTS AND UNEXPIRED LEASES was served via the Electronic Case Filing System for the United States Bankruptcy Court for the District of Delaware to all parties registered to receive such notice.

Also, the parties below were served via email:

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